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# For-Hire Cost and Earnings Studies Pacific Coast: California and Northwest

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\* The opinions expressed in this presentation and on the following slides are solely those of the presenters and not necessarily those of NOAA Fisheries. NOAA Fisheries does not guarantee the accuracy or reliability of the information provided herein.

## 2012 Westcoast CPFV / For-Hire Cost and Earnings Surveys

Data will be used to report on:

- Average annual costs and earnings by state/region and size class of vessel.
- Economic contribution multipliers to economy from dollars spent in the CPFV/For-Hire industry at a state/regional level.
- Models to analyze profitability differences.
  - Group specific profit/or revenue frontier.
    - Efficiency differences between and within vessel / trip strata (size, region, trip types).
    - Link to CPFV Logbook Data
- Characterize Industry outlook and attitudes.

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# Challenges

Response rates

Completion rates

Blank answers for financial questions

Accuracy of data

Interpretation of questions

# Data Collection Stratification

Vessel Size	Geographic Fishing Grounds (CDFG districts)
Large	North (Central, Bay Area, Wine, and Redwood districts)
Small	South (South and Channel districts)
<b>*Fishing grounds determined from <a href="http://www.recfin.org/">http://www.recfin.org/</a></b>	

- Goal: evaluate the cost and earnings structure of CA CPFV fishery.
- Census of 300 vessels.
  - Expected response = 50%, 150 surveys.
- North/South break point: Point Conception
- Vessel Size breakpoint: 42 feet in length.

## Degree of Accuracy Needed for Intended Purpose

	<b>South</b>	<b>North</b>
<b>Large</b>	<b>137 (sample population) 69 (expected respondents) 98.1% confidence</b>	<b>43(sample population) 22 (expected respondents) 81.5% confidence</b>
<b>Small</b>	<b>47 (sample population) 24 (expected respondents) 83.4% confidence</b>	<b>66 (sample population) 33 (expected respondents) 89.3% confidence</b>

- Primary purpose: evaluate the cost and earnings structure of the entire CA CPFV fishery.
- Census of 300 vessels in CA CPFV fishery.
- Response rate of 50%, 150 complete surveys expected.
- Allows reporting sample means within 10% of population mean at 99.9% confidence across entire fishery.

# PRELIMINARY: California Sample Size and Response Rates: All Vessels

		South	North	Total
Small Vessels	Complete Sub-sample Percentage	14 47 30%	18 68 27%	32 115 28%
Large Vessels	Complete Sub-sample Percentage	67 139 48%	21 44 48%	88 183 48%
Total Vessels	Complete Sub-sample Percentage	81 186 44%	39 112 35%	120 298 <b>40%</b>

# PRELIMINARY California Sample Size and Response Rates: Successfully Contacted Vessels

		South	North	Total
Small Vessels	Complete	14	18	32
	Sub-sample	26	46	72
	Percentage	54%	39%	44%
Large Vessels	Complete	67	21	88
	Sub-sample	89	35	124
	Percentage	75%	60%	71%
Total Vessels	Complete	81	39	120
	Sub-sample	115	81	196
	Percentage	70%	48%	<b>61%</b>

# Preliminary Oregon & Washington Response Rates

- Expected number active marine fishing charter operators: 258.
- Current completes or scheduled: 135 (52%).
  - Non-Participant / Refusal Data Collected





# California Survey

- Updates telephone-based study of 2000 CA data.
- Changes to fishery:
  - Implementation of several MPAs
  - Changes to management policies and permit / visa costs of operating in Mexican waters.
  - 12 years of general changes.
- Focus on 2012 calendar year
  - Fielded February 1<sup>st</sup>, 2013 to January 31<sup>st</sup>, 2014.

# Field Strategy

- Meet with & request feedback:
  - State & Regional constituent leaders.
  - Vessel owners.
- Send Invitation & Study Fact Sheet to selected respondents.
  - List time at which we will be contacting them.
- Call to set-up In-Person interview.
  - If potential respondent unreachable by phone, attempt via email and postal mail.
  - If unavailable for in-person interview:
    - Schedule phone interview (2<sup>nd</sup> phase only).
    - Use mail interview as last resort (2<sup>nd</sup> phase only).
- Mail “check-list” of items for owner to bring to interview.
- Document unreachables, non-respondents, & incompletes

# Section 1: Owner & Business Characteristics

- Years of participation and **role (owner/captain)**
- Number of vessels
- Non-vessel based expenses
  - Office space & related expenses
  - Non-vessel personnel payroll
  - Non-vessel services
  - Advertising
  - Insurance

## Section 2: Vessel Characteristics

- Region (CDFW District of home port)
- Year purchased and built
- Length and tonnage
- Value
- Engine (horsepower, year of upgrades, fuel, speed)
- Vessel capacity (day & overnight)
- Hot galley

## Section 3: Annual Vessel Base Cost & Earnings

- Payroll
- Fuel
- **P & I Payment on Note**
- Booking, Landing, and Mooring
- Food, Drinks, Bait, Ice
- **US & Foreign taxes & fees**
- Maintenance
- Equipment
- Total Passengers & Trips
- Ticket Sales
- Food & Beverage Sales
- Souvenirs
- Fillet Charge to Operator
- License Commissions
- Non-fishing Based Revenues (movies, research, wild-life viewing, SCUBA)
- Other



## Section 3: Trip-type Specific Cost & Earnings

**For modeling economic impact of changes in trip mix and relative efficiencies**

- Identification of major “trip length-species” trip types
- For each trip type
  - Average hours & days at sea
  - Bookings per year & months of operation
  - Average passengers per trip
  - Average revenues per trip
  - Average labor, fuel, & bait costs per trip
  - Average crew size
  - Proportion of trips that are open party vs. full charter

## Section 4: Attitudes: State of Industry and Economic Outlook

- View of Business effects of:
  - Fuel costs, target fish & bait stock, fishery and non-fishery regulations, environmental conditions, foreign government regulations and fees, competitions from other US & foreign CPFV & commercial fisheries
- Trend of business:
  - # of Customers, % of return customers
- Outlook
  - % of household income from business, general 5-year economic outlook

# Northwest Survey

Please rate the effect on your business of the following types of fishery regulations.

Regulations	Not Challenging	Slightly Challenging	Moderately Challenging	Very Challenging	Extremely Challenging	Not Sure
Day of week restrictions	1	2	3	4	5	9
Depth/area closures	1	2	3	4	5	9
Bag limits for Salmon	1	2	3	4	5	9
Bag limits for species other than Salmon	1	2	3	4	5	9
Minimum size limits for Salmon	1	2	3	4	5	9
Minimum size limits for species other than Salmon	1	2	3	4	5	9
Seasonal closures	1	2	3	4	5	9
In season regulation changes	1	2	3	4	5	9
Coast Guard regulations	1	2	3	4	5	9



# Northwest Survey

Potential Problem	Not Important	Slightly Important	Moderately Important	Very Important	Extremely Important	Not Sure
Unsafe boats in industry	1	2	3	4	5	9
Unsafe captains in industry	1	2	3	4	5	9
High cost of overhead	1	2	3	4	5	9
Competition with other operators	1	2	3	4	5	9
Shoreline growth and development	1	2	3	4	5	9
Getting customers	1	2	3	4	5	9
Cost of insurance	1	2	3	4	5	9
Too many operators	1	2	3	4	5	9
Fishing regulations	1	2	3	4	5	9
Weather/natural events	1	2	3	4	5	9
Poor fishing/too few available fish	1	2	3	4	5	9
Profitability	1	2	3	4	5	9
Fuel costs	1	2	3	4	5	9
Crew personnel problems	1	2	3	4	5	9
Safety of bar crossing	1	2	3	4	5	9
Poor bait availability	1	2	3	4	5	9
High cost of bait	1	2	3	4	5	9
Other_____	1	2	3	4	5	9



# Northwest Survey

How would you rate the following business practices in importance to running a successful charter business?

Business Practice	Not Important	Slightly Important	Moderately Important	Very Important	Extremely Important	Not Sure
Catching more fish	1	2	3	4	5	9
Public relations with clients	1	2	3	4	5	9
Other (please specify)	1	2	3	4	5	9



# Economic Contribution Analysis

- Results from Cost and Earning Study feeds into Economic Contribution Analysis.
  - CPFV / For-Hire Industry Specific Multipliers will replace broad-based generic industry multipliers from IMPLAN model.
- Input-Output Model for Pacific Coast Fisheries (IO-PAC)
  - Estimating impacts of groundfish and (soon) salmon management alternatives by Pacific Fisheries Management Council.

# Thank you

- For assistance survey content & general feedback:
  - Industry Constituents and Representatives
  - California Department of Fish & Wildlife Staff
  - NOAA Regional, Science Center, and HQ Staff
- For the 'on-going' work of our contractors:
  - Hanan & Associates (CA)
  - Pacific Market Research (OR and WA).

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# Input and Design

## Steering Committee

- Industry Leaders and Constituents
- NMFS Staff from Regional, Science Center and National Offices

# Questions

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